

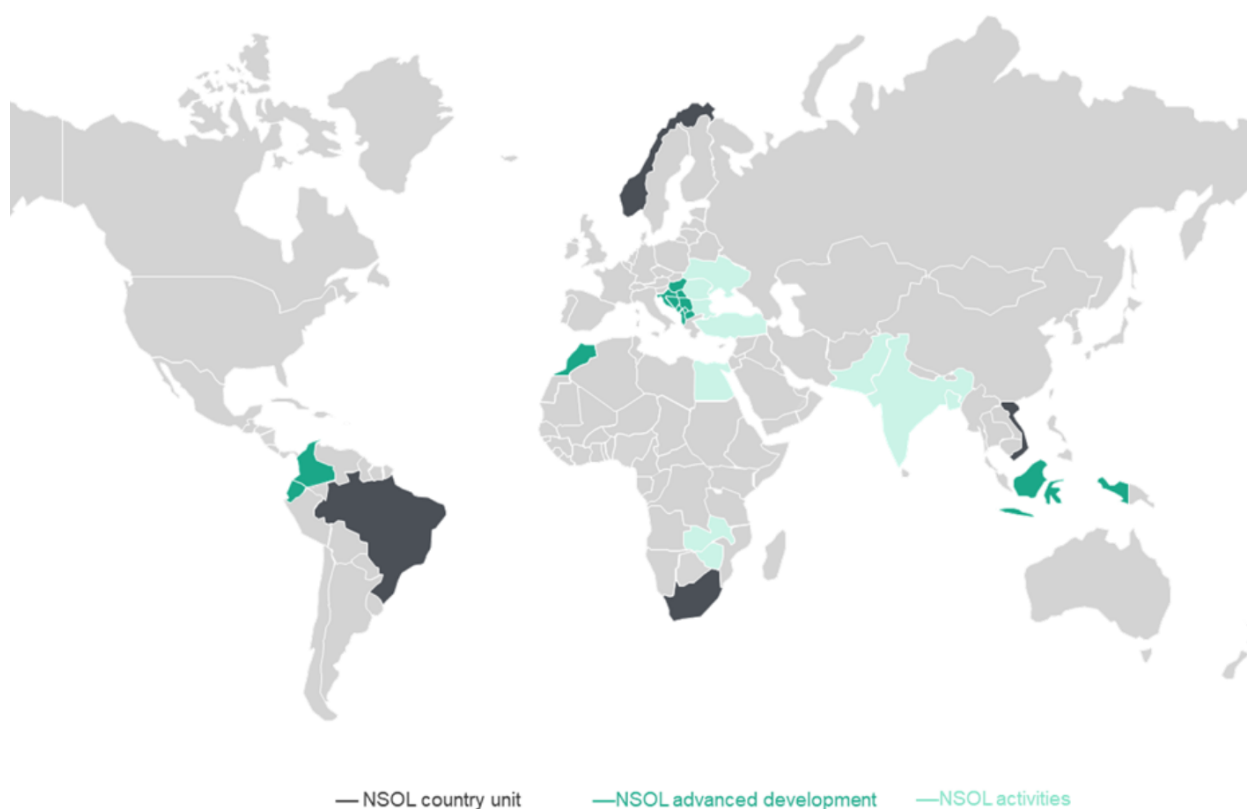


Q1 Financial Report 2022



Norsk Solar delivers the power to build a better world. We provide solar energy as a service to corporate and industrial entities in emerging markets, providing a cost-efficient, clean power solution to drive sustainable growth and reduce emissions.

Norsk Solar handles the development, financing, construction, operations and asset management of customers' on-site power plants. Customers can lock in low electricity prices and be assured long-term access to reliable, clean power. Choosing solar not only helps corporate energy buyers meet their sustainability targets, it makes good business sense.



Norsk Solar is a fast-growing independent solar power producer with over 100 MW in operation or under development and a target of 2 GW under management in 2025. Our ambition is to be the go-to renewable energy partner for commercial and industrial (C&I) entities in select high-growth markets.

Established in 2017 in Stavanger, Norway, Norsk Solar currently has more than 30 employees representing over 15 nationalities. The company is represented in Norway, Spain, South Africa, Brazil, and Vietnam. Norsk Solar AS was listed on the Euronext Growth Oslo stock exchange in April 2021 under the ticker NSOL.

Markets

— Norsk Solar Group Q1 Financial Report

Vietnam: sites in operation

The construction of 10 solar power plants in Vietnam was completed in December 2021, and six sites located in the northern part of Vietnam started to generate power during Q1. The four remaining sites in the southern part of Vietnam are expected to start production in June, after a period of clarifications relating to the applicable regulatory framework in Vietnam. Annual recurring revenue for the 11.1 MW is estimated at NOK 9.0 million

Norfund, the Norwegian state-owned development fund institution joined us as an investor in the Vietnam project during Q1, taking an ownership share of 35% in the project.

Brazil: PPA secured on 24 out of 37 MW portfolio

We continued to make progress in Brazil with Órigo Energia and have also matured developing opportunities with other major customers. Estimated annual recurring revenue for the first 24 MW is NOK 46.4 million.

South Africa: local unit and pipeline

During the first quarter we progressed with several potential leads in the South Africa region, a market that has been identified in our corporate strategy as a key focus market. Driven by market dynamics heavily impacted by load shedding, we're seeing increasing interest in solar and battery solutions within the commercial and industrial segment.

Ukraine: production and revenues

The Semypolky plant in Ukraine produced 985 MWh during Q1 2022, strongly impacted by both curtailment and the reduced rate paid for renewable power implemented during the period of war. Revenue from the plant in Q1 2022 was NOK 1.3 million. Norsk Solar's AS proportionate share of this is NOK 0.6 million. Ukraine is not a focus market for the company.

Pakistan

The Gharo plant in Pakistan, where Norsk Solar owns 10%, generated 26,117 MWh during Q1 2022.

Message from the CEO

— Norsk Solar Q1 Financial Report

Dear shareholders,

During the first quarter, Norsk Solar made progress in Brazil, generated initial revenue in Vietnam, and strengthened our organization in line with our growth strategy.

I am proud of the progress we made in Brazil during the quarter, signing power plant lease and operations agreements for the second phase of the 37 MW Órigo Energia portfolio. This brings us to a total of 24 MW in long-term PPA's secured with Órigo, a company known as a renewable energy pioneer in Brazil, owned by renowned companies such as TPG and Mitsui.

In Q1 we also began receiving revenue from the Central Retail project in Vietnam, where the first plants entered production. The project income will increase throughout 2022 as the total portfolio enters production.

In March, Norsk Solar was proud to welcome Norfund as a co-investor in the Central Retail project. Norfund joins Finnfund as the second Nordic state-owned financier to invest in the project. Vietnam is highly attractive for impact investors and climate funds, and we are excited about the new C&I project opportunities being explored with our strong investment partners.

In line with our plans for growth, Norsk Solar continued to build our team in Q1. In Brazil and South Africa in particular, we are increasing our sales capacity as the C&I pipeline continues to mature in these markets.

Impact of the war in Ukraine

In Q1 we also witnessed the unfolding of a humanitarian and geopolitical crisis with the Russian invasion of Ukraine and ongoing war. As the majority owner (45%) of an 8.9 MW utility solar plant in Semypolky, Ukraine, our business has been impacted.

The plant is unharmed, but due to reduced income and the high level of uncertainty caused by the ongoing war, we have recognized an impairment loss for the asset. As previously mentioned, Ukraine is not a focus market for Norsk Solar.

Focus on the future and creating value

Selling solar energy to commercial and industrial offtakers in high-growth markets is an enormous market opportunity for independent solar providers like Norsk Solar. It is also critical to reaching the world's climate goals. According to the International Energy Agency, we need to increase the world's solar energy capacity 24% every year until 2030 to stay on track with net-zero emissions targets.

Norsk Solar is targeting markets where reliable access to low-cost renewable energy is critical to support rapid economic growth in a sustainable way. We are sharply focused on high-quality C&I projects that will secure long-term recurring revenue for Norsk Solar, and we are fully committed to creating long-term value for shareholders and the environment.

Sincerely,



Øyvind L. Vesterdal
CEO



Financial summary Q1 2022

– Norsk Solar Q1 Financial Report

Consolidated statement of profit & loss

The group had a loss of NOK 22.6 million in Q1 2022. The increase of NOK 17.7 million compared to the same period in 2021 is mainly due to a recognized impairment loss of NOK 9.5 million in Ukraine, as well as increased expenses tied to the substantial growth in the number of employees. EBITDA ended on NOK -8.0 million compared to NOK -4.1 million in the same period last year. This is in line with expectations based on the company being in a growth phase.

Revenue

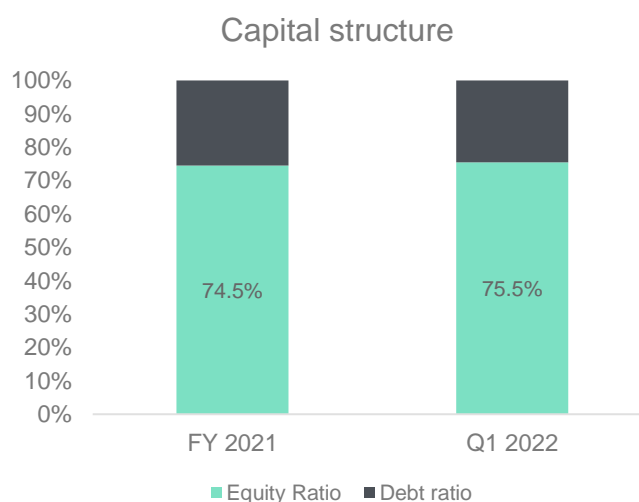
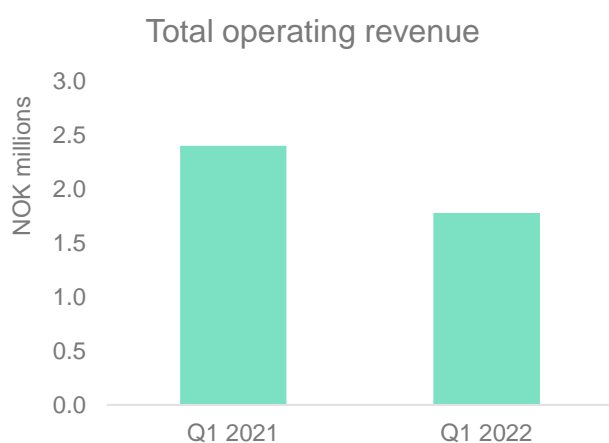
During Q1 of 2022, the revenue consisted of the sale of power generated by the Semypolky plant (Ukraine) and Central Retail plants (Vietnam). Total production in Q1 2022 was higher than Q1 2021, but revenue from Ukraine suffered significantly from curtailment and the reduced rate implemented due to the war. In Vietnam, six sites started production during Q1 2022.

Operating expenses

Cost of goods decreased by NOK 1.4 million compared to the same period last year. This is due to maturation of the pipeline and timing of projects in the development phase. The cost for employees has increased by NOK 3.8 million as number of employees have almost doubled. Depreciation during Q1 2022 includes impairment of the Semypolky plant of NOK 9.5 million. Please see note 6 for further information. Other costs increased by NOK 0.9 million, mainly due to increased audit and consultancy fees, insurance, and office costs.

Financial items

Financial expenses increased by NOK 1.9 million compared to the same period last year, mainly due to negative currency development of the UAH. Financial income was reduced by NOK 2.4 million due to currency gain for UAH in 2021.



Consolidated statement of financial position

– Norsk Solar Q1 Financial Report

Fixed assets

The decrease in fixed assets is due to the impairment of the Semypolky plant in Ukraine and normal depreciation.

Total current assets

Increase in other receivables is mainly due to recoverable VAT in Vietnam. Cash and cash equivalents decreased due to the planned growth phase the company is in.

Total shareholder equity

Net equity is reduced with loss.

Total liabilities

Other long-term liabilities decreased due to further down payment of debt.

Subsequent events

Non-recourse financing in Vietnam

On May 21, Norsk Solar signed an agreement for non-recourse project financing of up to USD 12 million from responsAbility. Approximately USD 6 million is committed to financing part of the recently completed 11 MW Central Retail solar rooftop projects, the remaining capital is earmarked for further C&I projects in Vietnam.

Condensed interim financial information

– Norsk Solar Q1 Financial Report

Norsk Solar AS

Consolidated financial statement

Profit and loss statement

<i>NOK 1000</i>	Note	Q1 2022 Unaudited	Q1 2021 Unaudited	YTD 2022 Unaudited	FY 2021 Audited
Revenue	4	1,779	2,367	1,779	13,514
Other operating income	4	0	38	0	80
Total operating revenue		1,779	2,404	1,779	13,593
Cost of goods and services		258	1,618	258	8,296
Salaries and adm. expenses		6,952	3,141	6,952	22,798
Depreciation	5,6	11,999	2,518	11,999	10,398
Other operating expenses		2,592	1,730	2,592	10,610
Total operating expenses		21,801	9,007	21,801	52,102
Operating profit/(loss)		-20,021	-6,603	-20,021	-38,509
Income from associates		0.0	0.0	0.0	2,748
Other interest received		0.3	3.4	0.3	708
Other financial income		173	2,544	173	6,803
Financial income		173	2,548	173	10,259
Other interest expenses		800	675	800	4,002
Other financial expenses		1,907	83	1,907	1,600
Financial expense		2,707	758	2,707	5,601
Net financial expense		-2,534	1,790	-2,534	4,658
Profit/(loss) before taxation		-22,555	-4,813	-22,555	-33,851
Income tax expense		0.0	24.1	0.0	436
Profit/(loss) for the period		-22,555	-4,837	-22,555	-34,287
Non-controlling interest		-7,309	268	-7,309	410

Interim consolidated balance sheet

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated financial statement Balance sheet at March 31

<i>NOK 1000</i>	Note	Q1 2022 Unaudited	FY 2021 Audited
Assets			
Non-current assets			
Property, plant and equipment	5,6	83,755	94,371
Intangible assets		280	386
Other investments		14,667	14,667
Other non-current receivables		0	0
Total non-current assets		98,703	109,424
Current assets			
Inventories		165	179
Trade receivables		2,838	3,093
Other receivables		17,416	15,728
Cash and bank balances	10	67,771	86,801
Total current assets		88,190	105,801
Total assets		186,892	215,225

Interim consolidated balance sheet

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated financial statement Balance sheet at March 31

<i>NOK 1000</i>	Note	Q1 2022 Unaudited	FY 2021 Audited
Shareholders equity and liabilities			
Capital and reserves			
Paid-in equity			
Share capital	8	748	748
Share premium reserves	8	168,409	168,410
Total paid-in capital		169,157	169,158
Retained earnings			
Retained earnings	8	-27,141	-8,775
Total retained earnings		-27,141	-8,775
Equity attributable to owners of the parent company		116,447	135,793
Non-controlling interests		25,569	24,589
Total shareholders equity		142,016	160,383
Non-current liabilities			
Non-current liabilities	7	32,998	35,999
Total non-current liabilities		32,998	35,999
Current liabilities			
Debt to financial institutions		4,693	4,828
Trade liabilities		534	8,654
Social security, VAT and similar public debt		1,121	1,702
Tax payable		1	3
Other current liabilities		5,529	3,657
Total current liabilities		11,878	18,844
Total liabilities		44,876	54,843
Total shareholders equity and liabilities		186,892	215,225

Interim consolidated cash flow statement

– Norsk Solar Q1 Financial Report

Norsk Solar AS Consolidated statement of cash flows

<i>NOK 1000</i>	Note	Q1 2022 Unaudited	FY 2021 Audited
Cash flows from operating activities:			
Net profit (- loss) for the period		-22,555	-34,287
Adjustments for:			
Depreciation, amortization and impairment charges	6	11,999	10,398
Change in inventories		15	3,300
Change in trade and other receivables		-1,433	-7,676
Change in trade and other payables		-8,701	7,152
Change in accrued expenses and other current liabilities		1,872	1,949
Cash from operating activities		-18,804	-19,164
Taxes paid		3	198
Net cash from operating activities		-18,801	-18,966
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property, plant and equipment	5,6	-6,284	-50,262
Net cash from investing activities		-6,284	-50,262
CASH FLOWS FROM FINANCING ACTIVITIES:			
Capital increase		0	131,128
Capital contribution from non-controlling interests	3	9,190	6,547
Change in long-term and short-term borrowings		-3,135	-8,678
Net cash from financing activities		6,055	128,997
Net change in cash and cash equivalents		-19,030	59,769
Cash and cash equivalents at beginning of the year		86,801	27,032
Cash and cash equivalents at end of year	10	67,771	86,801

Notes to the consolidated financial statements

Note 1 – Corporate information

Norsk Solar AS was founded in 2017 and is incorporated and domiciled in Norway. The address of its registered office is Haakon VII's gate 8, NO-4005 Stavanger, Norway.

Norsk Solar AS ("the company"), its subsidiaries and investments in associated companies ("the Group"), develops solar power plants with a long-term build-own-operate ("BOO") strategy for utility-scale and corporate off-takers in emerging markets.

The company is listed on the stock exchange Euronext Growth in Oslo under the ticker "NSOL".

The consolidated financial statements for the Q1 2022 were authorised for issue in accordance with a resolution by the Board of Directors on 14 June 2022.

Note 2 – Accounting principles

These condensed interim consolidated financial statements are prepared in accordance with recognition and measurement principles consistent with Norwegian Accounting Act and generally accepted accounting principles in Norway. These condensed interim consolidated financial statements are unaudited. They are condensed and do not include all information, and notes required by the Norwegian Accounting Act and generally accepted accounting principles in Norway for a complete set of consolidated financial statements.

The presentation currency of the Group is Norwegian kroner (NOK).

These condensed interim consolidated financials should be read in conjunction with the annual consolidated financial statements for 2021.

Consolidation principles

The condensed interim consolidated financial statements consist of Norsk Solar AS and its subsidiaries, where Norsk Solar AS has a controlling interest through legal or actual control. The consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. All material transactions and group inter-company balances are eliminated.

Note 3 – List of subsidiaries

The following subsidiaries are included in the consolidated financial statement:

Subsidiary	Country of incorporation	March 31,2022 Interest/voting power	Dec 31,2021 Interest/voting power
Norsk Solar Nicaragua	Nicaragua	99.0%	99.0%
Semypolky Solar Ltd	UK	64.3%	64.3%
Semypolky Solar LLC	Ukraine	45.0%	45.0%
Semypolky Solar 2 LLC	Ukraine	45.0%	45.0%
Norsk Solar EPC AS	Norway	100.0%	100.0%
Nordic Impact Cooperation AS	Norway	50.67%	50.67%
Norsk Solar Vietnam Ltd.	UK	37.9%	72.9%
Norsk Solar Vietnam LLC	Vietnam	37.9%	72.9%
Norsk Solar Hungary kFT	Hungary	51.0%	51.0%
Norsk Solar Brasil Ltda.	Brazil	100.0%	100.0%
Norsk Solar South Africa (PYT) Ltd.	South Africa	100.0%	0.0%
Norsk Solar Ukraine LLC	Ukraine	100.0%	100.0%
Norsk Solar Maldives PVT Ltd	Maldives	100.0%	100.0%

Subsidiaries not consolidated

Norsk Solar EPC AS are not consolidated as the company had no activity and is immaterial to the Group's consolidated financial statements in 2021 or Q1 2022. Norsk Solar Hungary was set up in 2021 and has not had any activity.

Norfund, Norwegian state- owned development fund institution bought 35% of the shares of Norsk Solar Vietnam from Norsk Solar AS in the quarter.

Interest/voting power in indirectly held subsidiaries are show with interest/voting power adjusted for ownership percentage via subsidiary.

Note 4 – Revenues

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major areas of operations.

<i>NOK 1000</i>				
Per area of operation:	Q1 2022	Q1 2021	FY2021	
Solar Energy	1,779	1,793	13,140	
Government grant	0	0	0	
Other	1	612	454	
Total	1,779	2,404	13,593	

Per geographic market:	Q1 2022	Q1 2021	FY2021	
Norway	1	612	454	
Europe	1,288	1,793	13,140	
Asia	491	0	0	
Total	1,779	2,404	13,593	

The construction of 10 solar power plants in Vietnam was completed in December 2021, and six sites located in the northern part of Vietnam started to generate power during Q1. The four remaining sites in the southern part of Vietnam are expected to start production in June, after a period of clarifications relating to the applicable regulatory framework in Vietnam.

Note 5 – Property, plant and equipment

<i>NOK 1000</i>	Land	Solar energy site	Asset under construction	Fittings and fixtures	Total
Acquisition cost					
Acquisition cost as at January 1, 2021	5,182	53,002	0	98	58,283
Additions from business combinations in the period	0	0	0	0	0
Additions purchased property, plant and equipment	0	0	50,112	151	50,262
Transferred	0	0	0	0	0
Disposals	0	0	0	0	0
Change in accounting principle Semypolky LLC	0	-2,687	0	0	0
Net foreign currency exchange differences	391	4,217	0	21	4,629
Acquisition cost as at December 31, 2021	5,573	54,532	50,112	269	110,486
Additions from business combinations in the period	0	0	0	0	0
Additions purchased property, plant and equipment	0	6,213	0	72	6,284
Transferred	0	27,425	-27,425	0	0
Disposals	0	0	0	0	0
Net foreign currency exchange differences	0	-4,050	0	69	-3,981
Acquisition cost as at March 31, 2022	5,573	84,120	22,687	410	112,790
Accumulated amortization					
Accumulated amortization as at January 1, 2021	0	5,716	0	2	5,718
Depreciation expense from continued operations in the period	0	10,264	0	133	10,398
Disposal in the year	0	0	0	0	0
Impairment loss	0	0	0	0	0
Net foreign currency exchange differences	0	0	0	0	0
Accumulated amortization as at December 31, 2021	0	15,980	0	135	16,115
Depreciation expense from continued operations in the period	0	2,926	0	37	2,963
Disposal in the year	0	0	0	0	0
Impairment loss	0	9,500	0	0	9,500
Net foreign currency exchange differences	456	0	0	0	456
Accumulated amortization as at March 31, 2022	456	28,406	0	172	29,034
Net carrying amount as at December 31, 2021	5,573	38,552	50,112	134	94,371
Net carrying amount as at March 31, 2022	5,117	55,714	22,687	238	83,755
Estimated useful life		15 years		2-5 years	

All the property, plant and equipment are depreciated over their estimated useful life on a straight-line basis.

Note 6 – Impairment

The group assesses property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The recoverable amount is the higher of the assets fair value less sales cost and its value in use.

Impairment indications were identified for Norsk Solar's 8.9 MW solar plant in Semypolky, Ukraine due to the Russian invasion on February 24, 2022. The situation in Ukraine per the end of Q1 remains very challenging. The outcome of the situation and the impact on the asset remains highly uncertain.

Per March 2022, the plant is intact and available. However, due to the low power demand the plant is being curtailed by the grid operator on a regular basis. In addition, on March 28, 2022, the Ministry of Energy of Ukraine issued an order to reduce payment for renewable power to 15% for the duration of the military period.

We have evaluated and weighted two scenarios to arrive at the value of the solar plant.

The main assumptions used for the impairment test are:

Future cash flows based on current feed in tariff which ends in 2029 and an exit multiple to reflect sale to the market after this. In the best-case scenario, we assume a reduction in revenue of 85% in 2022 and 2023 and then a return to previous projected cashflows. In the worst-case scenario, no future revenues are assumed. The two scenarios have been weighted 70/30 to reflect the high uncertainty on the impact of the plant in Ukraine.

An after-tax discount rate of 8.8% has been used in the impairment test. The calculations have significant uncertainty and are sensitive to changes in the discount rate.

The recoverable amount for power solar plants and land for the Semypolky plant were NOK 39.3 million as per March 31, 2022. An impairment charge of 9.5 million NOK was recognized in this quarter.

Norsk Solar's proportionate share of the Semypolky plant is NOK 17.7 million.

The insurance on the plant has been renewed, but it has not been possible to obtain insurance for loss caused by war.

Note 7 – Financing

Norsk Solar is in compliance with its loan agreement for the non-recourse financing for Ukraine at the end of the quarter. We maintain a close dialogue with NEFCO, the lender in the project.

Note 8 – Equity

<i>NOK 1000</i>	Share capital	Share premium	Other equity	Minority interest	Equity attributable to parent	Sum
Balance December 31, 2021	748	168,410	-8,775	24,589	135,793	160,383
Net profit (loss) of the period	0	0	-22,555	-7,309	-15,246	-22,555
Minority change	0	0	8,119	4,347	3,772	8,119
Translation differences	0	-1	-3,930	3,941	-7,871	-3,931
Total	748	168,409	-27,141	25,569	116,447	142,016

Note 9 – Shareholders information

	Mar 31,2022		Dec 31,2021	
	Number of shares	Owner interest	Number of shares	Owner interest
Valinor AS	35,532,861	47.5%	35,532,861	47.5%
Pictet & Cie (Europe) S.A.	4,978,194	6.7%	4,978,194	6.7%
ØLV HOLDING AS (owned by CEO, Øyvind L. Vesterdal)	4,721,230	6.3%	4,721,230	6.3%
BERKER GROUP AS	4,701,230	6.3%	4,701,230	6.3%
FREMT AS	4,699,230	6.3%	4,699,230	6.3%
AEGA ASA	3,989,170	5.3%	3,989,170	5.3%
NORDIC ESG AND IMPACT INFRASTRUCT	2,631,578	3.5%	2,631,578	3.5%
RØROS KOBBERVERK AS (owned by Chairman, Pål S. Valseth)	2,448,120	3.3%	2,448,120	3.3%
CACEIS Bank	1,590,536	2.1%	1,375,000	1.8%
AUSTAVIND AS	1,052,631	1.4%	1,052,631	1.4%
Total	66,344,780	88.7%	66,129,244	88.4%
Total other	8,425,607	11.3%	8,641,143	11.6%
Total number of shares	74,770,387	100%	74,770,387	100%

Note 10 – Cash

<i>NOK 1000</i>	Mar 31,2022	Dec 31,2021
Short-term bank deposits	67,771	86,801
Cash and cash equivalents in the cash flow statement	67,771	86,801

Bank deposits for employee tax withholding

470

746

Note 11 – Subsequent event

On May 21, Norsk Solar signed an agreement for non-recourse project financing of up to USD 12 million from responsAbility. Approximately USD 6 million is committed to financing part of the recently completed 11 MW Central Retail solar rooftop projects, the remaining capital is earmarked for further C&I projects in Vietnam.



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Helga Cotgrove | CFO

Filippo Comelli | EVP Project Development & Project Finance

Trond Debes | EVP Legal and Compliance

Rafael Cola | EVP Global Sales

Information source: www.nordsolar.com/investor-relations/

Financial Calendar 2022

31.08.2022 | Quarterly Report Q2 2022

30.11.2022 | Quarterly Report Q3 2022